



SOUTHWEST ENERGY EFFICIENCY

Saving Money and Protecting the Environment Through More Efficient Energy Use



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July 31, 2015

2015 JUL 31 P 3: 27

Susan Bitter Smith, Chairman
Bob Stump, Commissioner
Bob Burns, Commissioner
Doug Little, Commissioner
Tom Forese, Commissioner

Arizona Corporation Commission

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JUL 31 2015

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-2996

DOCKETED BY

ORIGINAL

Re: **E-00000V-15-0094**, In the Matter of Resource Planning and Procurement in 2015 and 2016.

Dear Chairman Bitter Smith and Commissioners:

The Southwest Energy Efficiency Project (SWEEP) appreciates the opportunity to provide these comments in response to the July 9th letter filed by Commissioner Bob Burns on the future of the Integrated Resource Planning (IRP) process and timeline.

SWEEP supports an IRP process and timeline resulting in resource decisions that maximize the public interest. This should be achieved through a robust, transparent, and objective process that is focused on meeting the needs of utility customers in Arizona. While the utilities have an important role and are responsible for developing the resource plans, which SWEEP respects and appreciates, it is crucial to have opportunities for back and forth discussion with the Commission and Staff, plus meaningful opportunities for stakeholder and public input and review, in order to ensure an objective and balanced plan that is adequately focused on meeting customer energy needs at lowest costs.

SWEEP provides the following comments on the IRP process and timeline attached to Commissioner Burns' July 9th letter.

1. SWEEP supports meaningful opportunities for effective stakeholder and public input and review. The IRP pre-filing workshops, which SWEEP supports, are one effective approach for ensuring such input and review.

If the IRP workshops can be planned and scheduled efficiently, it may be possible to complete the workshops in four rather than five months, and still ensure effective opportunities for stakeholder and public input and review.

2. SWEEP recommends that the Commission clarify in the IRP process and timeline that stakeholder/public review will be part of several other steps in the timeline, e.g., as part of Staff/Consultant review of preliminary plans, and Staff/Consultant review of final plans.



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SWEEP believes this is the intent and essentially has been the practice in all Commission proceedings. It would help to state so explicitly in the timeline by adding “with opportunities for stakeholder and public review.”

3. SWEEP supports preliminary resource plans in April 2016. The concept of a preliminary plan will help to ensure that useful information is available in a timely manner, while at the same time giving the Commission something real to review and work with early in the process of implementing improvements to the IRP process. The preliminary resource plans should be filed no later than April 1, 2016, and potentially could be filed sooner.

Also note that a preliminary IRP in April 2016 will provide valuable information that the Commission, the Arizona Department of Environmental Quality, and stakeholders to consider as they evaluate possible Clean Power Plan compliance scenarios. In whatever manner Arizona decides to respond to the Clean Power Plan final rule, it will be valuable to have the up-to-date information about Arizona’s energy loads, resources, and emissions – and potential scenarios for the future – to help inform Arizona’s decisions about the Clean Power Plan.

The Commission will need to clarify what should be included in a preliminary resource plan. In SWEEP’s view, while a preliminary plan does not have to be a fully complete and final resource plan, it does need to have enough “meat” and substance, and enough material about the key assumptions and scenarios, to be valuable in the overall IRP process.

4. SWEEP encourages the Commission to take some action on the preliminary IRP plans during its Open Meeting (step four in the timeline). That may be the Commission’s intent, which SWEEP encourages, and SWEEP suggests the Commission state such an expectation in the timeline explicitly. The Open Meeting based on the review of the preliminary plan will give the Commission the opportunity to take early actions on such issues as the treatment of emerging technologies, the objective assessment of resources and their costs and benefits, key assumptions, priority scenarios, and many other matters. It likely will be important for the Commission to act on at least some of these matters as a result of its review of the preliminary plan, and not wait until 2018 to act.
5. The time period of Staff/Consultant review of the preliminary plans could be shortened from 195 working days (about 9 months) to perhaps 6 months or shorter, which seems adequate for review of preliminary plans. Doing so would also move up the date of the Commission Open Meeting to review the preliminary plans, meaning that the Commission could act on the preliminary plans in the fall/early winter of 2016 rather than waiting until early 2017 for the Open Meeting as set forth in the July 9th timeline.
6. Finally, as noted in prior comments, SWEEP remains concerned that a long or a three-year planning cycle may not accommodate emerging technologies and their effects on the system, plus changes to the utility business model, both of which tend to be happening more quickly than every three years. Similarly, quite a bit could happen in the markets and the utility industry between September 2015 and February 2018 (the schedule attached to



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Commissioner Burns' letter). SWEEP encourages the Commission to shorten the IRP schedule to some extent, and we have provided a couple of suggestions above.

Thank you for the opportunity to submit these comments.

Respectfully submitted this 31st day of July 2015 by:

Jeff Schlegel & Ellen Zuckerman
Southwest Energy Efficiency Project

ORIGINAL and thirteen (13) copies filed this 31st day of July 2015, with:

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